



**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

CONSENT TO SUBLEASE OF LEASE NO. DOT-A-05-0007
AIR MOLOKAI, INC. TO HELI-USA AIRWAYS, INC.
HONOLULU INTERNATIONAL AIRPORT

OAHU

LEGAL REFERENCE:

Subsection 171-36(a) (6), Hawaii Revised Statutes

LESSEE:

Air Molokai, Inc., a Nevada corporation

SUBLESSEE:

HELI-USA Airways, Inc., a Nevada corporation

AREA AND LOCATION:

Area/Space Nos. HNL 009-104 and 009-106B, containing a total land area of approximately 65,869 square feet of improved, paved general aviation land, together with one (1) hangar building situated thereon. The hangar building was constructed by the Lessee. The Sublessee wishes to rent office and hangar space of approximately 1,300 square feet.

Portion of Honolulu International Airport, Honolulu, Island of Oahu, Hawaii, identified by Tax Map Keys: 1st Division, 1-1-72: 07 and 1-1-72:09 (portion of), as shown and delineated on the attached Exhibit A.

ZONING:

State Land Use District: Urban
County of Honolulu: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act - Non-ceded

LEASE TERM AND RENTAL:

Twenty-five (25) years, commencing on May 1, 2005, and expiring on April 30, 2030

LEASE RENT:

Annual rental of \$118,194.93 for the first five years of the Lease. For the four remaining five (5)-year lease periods, totaling twenty (20) years, the annual rental shall be determined separately when due at the time of reopening.

SUBLEASE TERM:

Month to month

SUBLEASE RENT:

\$3,500.00 per month

SUBLEASE CHARACTER OF USE:

Office and hangar space for the purpose of conducting a helicopter tour service business with scheduled aircraft maintenance performed thereon.

SUBLEASE RENT LIMITATION:

Maximum allowable sublease income: \$88,595.59 per annum

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated May 22, 2001, the subject request qualifies under Exemption Class 1 - "Operations, repairs and maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

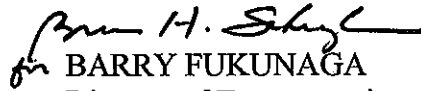
REMARKS:

The State and the Lessee entered into Lease No. DOT-A-05-0007 dated June 9, 2005, for the exclusive use of certain premises for the purpose of constructing, maintaining and operating an airport hangar facility area. The Lessee now desires to sublease a portion of the facility. The Department of Transportation (DOT) has no objections to the proposed sublease arrangement by and between the Lessee and Sublessee.

RECOMMENDATION:

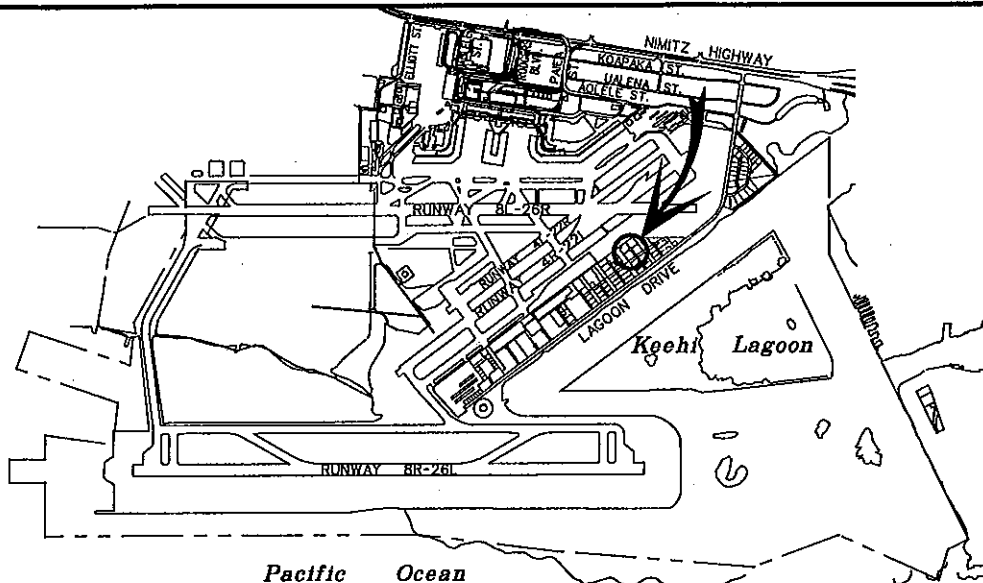
That the Board authorizes the DOT to approve the Consent to Sublease of Lease No. DOT-A-05-0007 between Air Molokai, Inc., as Sublessor and HELI-USA Airways, Inc., as Sublessee, as hereinabove outlined, subject to: (1) terms and conditions, which are by reference incorporated herein; (2) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the Consent to Sublease form and content.

Respectfully submitted,


for BARRY FUKUNAGA
Director of Transportation

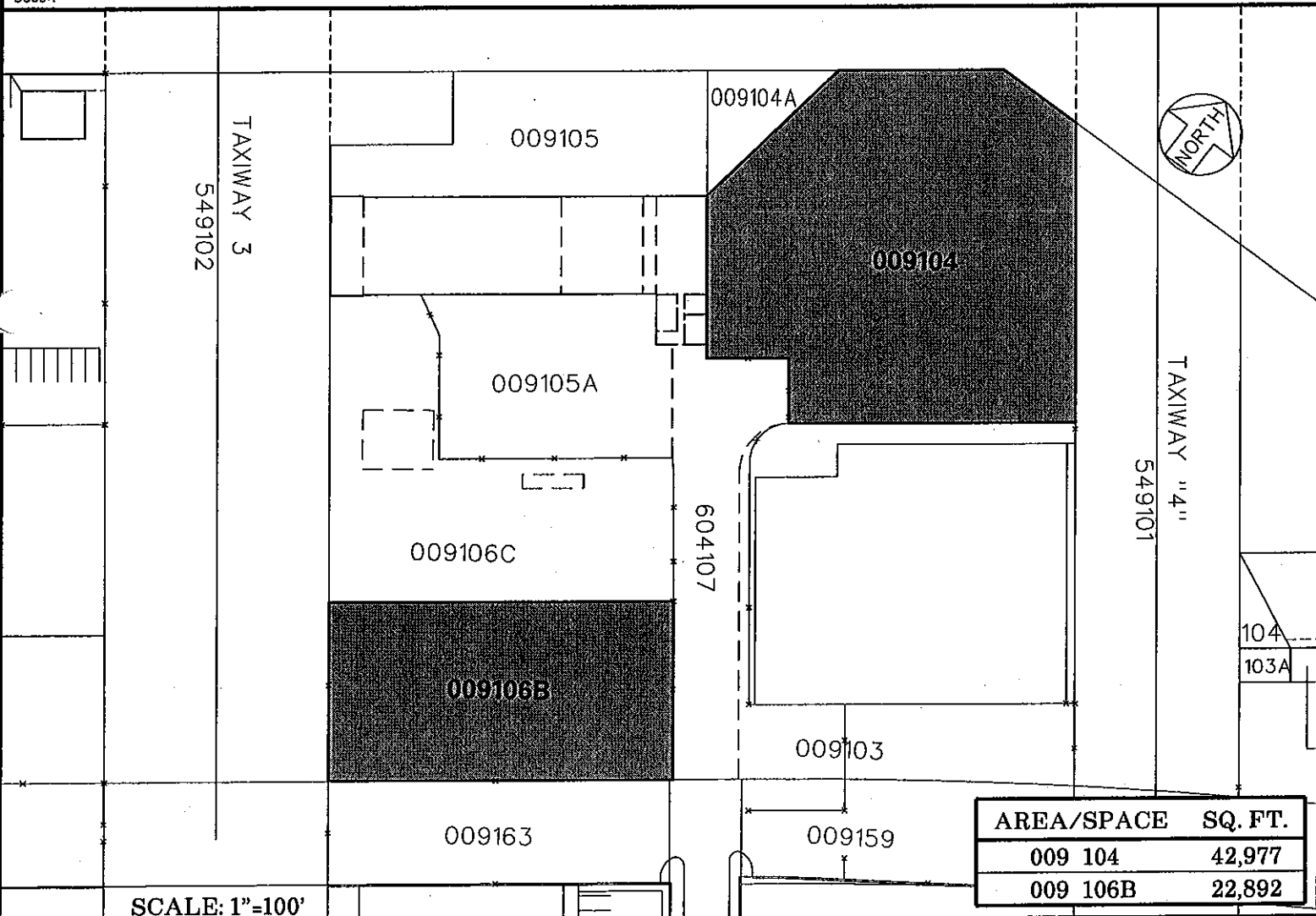
APPROVED FOR SUBMITTAL:


for LAURA H. THULEN
Interim Chairperson



5000:1

LOCATION PLAN



SCALE: 1"=100'

AREA/SPACE	SQ. FT.
009 104	42,977
009 106B	22,892

DATE: AUGUST 2004

EXHIBIT: **A**



Airports Division

AIR MOLOKAI, INC.

LOTS
SOUTH RAMP

009104
009106B
PLAT 36

HONOLULU INTERNATIONAL AIRPORT

\\d2112640\oahu_cod\
hnl\pm\ 00910466.hnl